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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Board of Commissioners
England Economic and Industrial
Development District

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996. These general purpose financial statements and the combining, individual fund and account group financial statements are the responsibility of the management of England Economic and Industrial Development District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and the combining, individual fund and account group financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements and the combining, individual fund and account group

The Board of Commissioners
England Economic and Industrial
Development District

This report is intended for the information of the Board of Commissioners and management of England Economic and Industrial Development District and appropriate grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Oelreicher & Company

OELREICHER & COMPANY
Certified Public Accountants

October 18, 1986



OESTREICHER & COMPANY

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE GENERAL PURPOSE, COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
England Economic and Industrial
Development District

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 18, 1998.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to England Economic and Industrial Development District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Board of Commissioners
England Economic and Industrial
Development District

The District's adopted policies regarding purchases are more strict than State bid laws (which were complied with in these instances). The District's procedures are in the process of being reviewed. Possible changes may be made to increase the current dollar figures.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements and the combining and individual fund and account group financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners and management of England Economic and Industrial Development District, and appropriate grantor agencies. However, this report is a matter of public record, and its distribution is not limited.


OESTRICHER & COMPANY
Certified Public Accountants

October 18, 1986

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS ON
OMB CIRCULAR A-128**



OESTRICHER & COMPANY

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE, COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
England Economic and Industrial
Development District

We have audited the general purpose financial statements and the combining individual fund and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Comptroller Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128 "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement.

The management of England Economic and Industrial Development District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements and the combining, individual fund and account group financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Board of Commissioners
England Economic and Industrial
Development District

In planning and performing our audit of the general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and the combining, individual fund and account group financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements and the combining, individual fund and account group financial statements.

The reportable conditions noted are as follows:

Recording Deletions in the General Fixed Asset Account Group

During the current year, no accounting entries were made to record deletions in the General Fixed Asset Account Group. Accounting entries should be made at least monthly to properly account for all deletions within this account group.

Purchasing Policies

According to the "Financial Policies Manual" for the England Economic and Industrial Development District, departments must attempt to obtain three quotes for orders of goods from \$500 to \$4,999 and record the quotes on the purchase requisitions. During our testing procedures, we found purchase requisitions that did not note any quotes at the bottom of the requisitions or any reasons why no quotes were obtained.

District's Response

General Fixed Asset Account Group deletions are now being recorded in the accounting records at least monthly.

The Board of Commissioners
England-economic and Industrial
Development District

financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and the combining, individual fiscal and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



OESTREICH & COMPANY
Certified Public Accountants

October 18, 1986

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

For the year ended June 30, 1998

FEDERAL GRANT/PROGRAM TITLE	FEDERAL		ACCRUED			ACCRUED	
			ON	RECEIPTS ON	DEBITED	ON	
	TYPE	GRANT	DEFERRED	REVENUE	MONTH	DEFERRED	
	NUMBER	NUMBER	TOTAL	TOTAL	REVENUE	TOTAL	
U. S. Department of Defense							
Office of Economic Adjustment							
Operating/proc construction 0471 *	01.001	01.0004-01.010	(24,876)	0	0	(24,876)	
Operating/proc construction 0473 ***	01.001	01.0004-01.016	(24,077)	0	0	(24,077)	
Operating/proc construction 0476 **	01.001	01.0004-01.017	0	0	0	0	
Agent Master Study *	01.001	01.0004-04.001	(22,488)	0	0	(22,488)	
			<u>(71,441)</u>	<u>0</u>	<u>0</u>	<u>(71,441)</u>	<u>(71,441)</u>
U. S. Department of Commerce							
Economic Development Administration							
Buildings and Brans Economic Education							
Economic Adjustment Assistance Act *	01.001	01.0004-02.004	0	4,111,604	4,084,074	27,530	
U. S. Air Force Base Special Agency							
Contract Agreement 0215 ***			0	0	0	0	
Contract Agreement 0216 ***			0	0	0	0	
Contract Agreement 0477 **			(21,500)	0	0	(21,500)	
			<u>(21,500)</u>	<u>0</u>	<u>0</u>	<u>(21,500)</u>	<u>(21,500)</u>
Total			<u>(24,876)</u>	<u>4,111,604</u>	<u>4,084,074</u>	<u>(24,876)</u>	<u>(24,876)</u>

*Indirect costs are classified on the balance sheet for the capital project fund as follows:

Internal Service - labor contract	(147,000)
Revolving - Intergovernmental	124,124

**Indirect costs are classified as "Indirect costs - Other indirect" under balance sheet for the grant fund.

***Indirect costs are Internal government are classified under "Due to other government" under balance sheet for the grant fund.

---The 01.001 was transferred to grant number 01.0004-01.010.

See independent auditors' report on schedule of federal financial assistance.

The Board of Commissioners
England Economic and Industrial
Development District

The management of England Economic and Industrial Development District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements and the combining, individual fund and account group financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls: Cash in bank; Revenues, receivables, and receipts; Payroll and related liabilities; Expenditures for goods and services, and accounts payable; Property, equipment, and capital expenditures; and Budget.

Administrative Controls: General Requirements: political activity; Davis-Bacon Act; Cash management; Federal financial reports; Allowable cost/claim principals; Drug-Free Workplace Act; and Administrative requirements. Specific Requirements: Types of services allowed or unallowed; Reporting; Claims for advances and reimbursements; and Amounts claimed or used for matching.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1990, England Economic and Industrial Development District expended 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major federal financial assistance programs of England Economic and Industrial Development District, which are identified in the

The Board of Commissioners
England Economic and Industrial
Development District

accompanying Schedule of Federal Financial Assistance. Our procedures were limited in scope that would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability of England Economic and Industrial Development District to administer federal financial assistance programs in accordance with applicable laws and regulations.

The reportable conditions noted are as follows:

Accounting Deletions in the General Fixed Assets Account Group:

During the current year, no accounting entries were made to record deletions in the General Fixed Asset Account Group. Accounting entries should be made at least monthly to properly account for all deletions within this account group.

Purchasing Policies:

According to the "Financial Policies Manual" for the England Economic and Industrial Development District, departments must attempt to obtain three quotes for orders of goods from \$500 to \$4,999 and record the quotes on the purchase requisitions. During our testing procedures, we found purchase requisitions that did not note any quotes at the bottom of the requisitions or any reasons why no quotes were obtained.

District's Response:

General Fixed Asset Account Group deletions are now being recorded in the accounting records at least monthly.

The District's adopted policies regarding purchases are more strict than State bid laws (which were complied with in these instances). The District's procedures are in the process of being reviewed. Possible changes may be made to increase the current dollar figures.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Board of Commissioners
England Economic and Industrial
Development District

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1990, and have issued our report thereon dated October 18, 1990.

We have applied procedures to test England Economic and Industrial Development District's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1990:

Political activity; Civil rights; Cash management; Federal financial reports; Allowable cost/expense principles; Deceptive Workplace Act; and Administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on England Economic and Industrial Development District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that England Economic and Industrial Development District had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any material instances of noncompliance with those requirements.

The Board of Commissioners
England Economic and Industrial
Development District

This report is intended for the information of the Board of Commissioners, management, and appropriate grantor agencies. However, this report is a matter of public record and its distribution is not limited.



OESTREICHER & COMPANY
Certified Public Accountants

October 18, 1996



OESTREICH & COMPANY
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Board of Commissioners
England Economic and Industrial
Development District

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996.

We have also audited England Economic and Industrial Development District's compliance with the requirements governing types of services allowed or unallowed, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the period ended June 30, 1996. The management of England Economic and Industrial Development District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

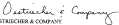
We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

The Board of Commissioners
England Economic and Industrial
Development District

In our opinion, England Economic and Industrial Development District complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of the Board of Commissioners and management of England Economic and Industrial Development District, and appropriate grantor agencies. However, this report is a matter of public record and its distribution is not limited.



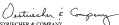
DESTRICHER & COMPANY
Certified Public Accountants

October 18, 1996

The Board of Commissioners
England Economic and Industrial
Development District

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners and management of England Economic and Industrial Development District, and appropriate grantee agencies. However, this report is a matter of public record, and its distribution is not limited.



DESTRICHER & COMPANY
Certified Public Accountants

October 18, 1996

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

for the year ended June 30, 1996

	BUDGET	ACTUAL	OVER UNDER BUDGET
Revenues			
Grants	\$45,284	\$15,284	(\$30,000)
Loans accrual	4,192,365	4,192,365	0.00
Fuel tax	265,523	265,524	1.00
Interest	249,807	249,266	(-541)
Miscellaneous	45,781	47,280	1,499
Total revenues	<u>5,004,760</u>	<u>5,069,760</u>	<u>64,000</u>
Expenditures			
General			
Administration	794,074	797,496	3,422
Operations	1,085,511	1,085,000	(-511)
Economic Development	182,262	183,919	1,657
Capital outlay	4,919	28,112	23,193
Debt service	43,160	26,000	(-17,160)
Principal	26,000	23,158	(-2,842)
Interest	4,873,189	5,013,238	1,440,049
Total expenditures	<u>1,085,517</u>	<u>971,588</u>	<u>(113,929)</u>
Revenues (deductions) of revenues over expenditures	<u>4,919,243</u>	<u>4,998,172</u>	<u>(20,071)</u>
Other financing sources (uses)			
Operating transfers out - capital projects fund	518,657	498,558	(-20,099)
Revenues (deductions) of revenues and other financing sources over expenditures and other financing uses	<u>5,437,900</u>	<u>5,496,730</u>	<u>58,830</u>
Fund balances, beginning of year	<u>10,278,158</u>	<u>\$4,261,863</u>	<u>(\$6,016,295)</u>
Fund balance, end of year			

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

As of June 30, 1996, the District had the following property (leased):

Property	Square Footage	Annual Lease Payment	Future Non-cancelable Lease Payment
Airfield	162,556	\$1,624,700	\$514,612
Landside	128,098	1,648,318	2,085,497
Utility	0	83,000	425,000
Miscellaneous	<u>30,812</u>	<u>175,000</u>	<u>2,668</u>
Total	321,466	\$3,531,018	\$3,027,577

Future lease payments to be received under non-cancelable leases are shown by year as follows:

Year Ending June 30	Airfield	Landside	Utility	Misc	Total
1997	\$186,278	\$1,574,413	\$85,000	\$2,440	\$1,668,131
1998	180,000	394,777	85,000	0	359,777
1999	180,000	61,620	85,000	0	246,620
2000	8,333	18,318	85,000	0	111,551
2001	0	16,468	85,000	0	101,468

For the year ended June 30, 1996, fifty-nine (59%) of lease revenue was from two tenants.

10. INDIVIDUAL NEGATIVE FUND BALANCE

At June 30, 1996, the capital projects fund had a negative fund balance of \$26,237. The District's approved budget for fiscal year ended June 30, 1997, included an operating transfer from the general fund to the capital projects fund to liquidate this negative fund balance.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred amount for each participant.

Changes in plan assets are shown below:

Plan assets July 1, 1995	\$125,711
Receipts	124,191
Disbursements	(22,258)
Plan assets, June 30, 1996	\$227,644

8. LEASES - LESSEE

The District (lessee) leases the premises and property consisting of certain lands with improvements thereon, together with certain related personal property, which comprised a portion of the Keesee England Air Force Base, from the United States Air Force (lessor).

Under the terms of this lease, which is classified as an operating lease, the lessee pays \$1 for the term of the lease. This lease was effective March 28, 1995, and ends upon the expiration and delivery of the deed for the leased property to the District or at the end of a 88½-year (53) year term. The District is granted an option to extend this lease for a like term for any property that has not been deeded to the District. The lessee shall provide protection and maintenance of the property at its own expense.

The lease has a thirty (30) day cancellation clause, whereby either party may cancel the lease without cause, with thirty (30) days notice given to the other party. The lease allows the sublease of the properties.

The United States Air Force is in the process of transferring title to all of the property and premises mentioned above to the District. A substantial portion of this transfer is scheduled to be completed in December, 1996 with another portion expected to be transferred in March, 1997, and the final portion by December, 1998.

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**England Economic and Industrial
Development District**

Alexandria, LA

June 30, 1966

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or comptroller, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date July 13 1966

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

Significant construction or renovation projects are summarized below:

	Project Authorization	Expended To Date	Remaining Commitment
Intermodal improvements	\$6,182,000	\$5,586,467	\$595,533
Hanger modifications	1,968,000	1,621,671	346,329
	<u>\$8,150,000</u>	<u>\$7,208,138</u>	<u>\$941,862</u>

Funding is provided by grants, debt proceeds, and use of prior year earnings.

6. GENERAL OBLIGATIONS PAYABLE

General obligation debt: General obligation liabilities are direct obligations for which the full faith and credit of the District is pledged as security. The District has incurred these liabilities in acquisition of machinery and equipment, commonly referred to as MPMS equipment. In addition, the District's obligation relative to the liability for compensated business is reported as a general obligation debt. General long-term debt outstanding at June 30, 1996, consisted of the following:

Certificate of Indebtedness, Series 1993		
Date of issue:	October 15, 1993	
Original issue amount:	\$111,000	
Interest rate:	6.5%	
Principal outstanding at June 30, 1996		\$238,000
Certificate of Indebtedness, Series 1995		
Date of issue:	December 1, 1995	
Original issue amount:	\$1,200,000	
Interest rate:	6.0%	
Principal outstanding at June 30, 1996		1,200,000
Compensated absences		
Amount outstanding at June 30, 1996		<u>36,452</u>
		<u>\$1,474,452</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

9. FIXED ASSETS

The following is a summary of the changes in the general fixed assets account group during the fiscal year:

	Balance July 1, 1995	Additions/ (Deductions)	Balance June 30, 1996
Office equipment	512,618	500	513,118
Computer equipment	61,111	(1,686)	59,425
Machinery and equipment	908,882	13,668	922,550
Vehicles	18,692	(621,081)	37,611
Development and planning studies	622,155	0	622,155
Capital improvements			
Intermediate staging base	2,445,758	0	2,445,758
Roadway access pad	2,178,188	0	2,178,188
Utility meters	31,879	0	31,879
Construction in progress			
Utility meters	30,513	0	30,513
Intermodal			
Improvements	372,657	5,213,810	5,586,467
Hangar modifications	0	1,627,671	1,627,671
Planning studies	321,540	178,626	500,166
	<u>\$7,044,958</u>	<u>\$7,696,250</u>	<u>\$14,581,288</u>

The investment in general fixed assets was funded from the following sources:

Federal and state funding	\$10,900,020
General obligation debt	3,480,675
General fund earnings	148,551
Total	\$14,581,288

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1976

2. CASH

The District's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

3. RECEIVABLES

Receivables at June 30, 1976 consisted of the following:

	General Fund	Capital Projects
Intergovernmental		
Federal		
Operations group	\$4,289	\$0
Capital outlay	0	334,237
State		
Capital Outlay	0	139,118
Local grant	0	200,000
Leases	198,973	0
All valorem taxes paid under protest	154,397	0
Other	<u>59,288</u>	<u>0</u>
	376,925	673,355
Allowance for uncollectible losses	<u>(18,574)</u>	<u>0</u>
Total	\$358,351	\$673,355

4. PREPAID EXPENSES

Prepaid expenses consisted of the following at year end:

General Fund	
Deposits	\$100
Insurance	<u>5,728</u>
	\$5,828

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

11. SUBSEQUENT EVENTS

The Board of Commissioners of the District adopted a policy during its June, 1996 board meeting to designate fund balances as of June 30, 1996. This designation is as follows:

- 40% for airside improvements
- 15% for landside improvements
- 15% for operating reserve

Fund balance increases after June 30, 1996 shall be designated as follows:

- 50% designated as above
- greater of 25% of fund balance increases or 5% of salaries and fringe designated for merit raises
- the remainder as undesignated

12. CONTINGENCY

As of June 30, 1996, the District is contingently liable to the Air Force Base Closure Agency (AFBCA) for unestimated utilities for the time period December 15, 1993 to November 24, 1993. This issue is currently being negotiated. At present there is no determination of the outcome.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

C. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet. There were no interfund receivables/payables at year end.

B. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid expenses.

E. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are recorded in the general fixed assets account group at historical costs. Assets in the general fixed assets account group are not depreciated.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, culverts and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the District.

Interest expense incurred during construction of capital facilities is not capitalized when the assets are reported in the General Fixed Asset Account Group.

J. Compensated Absences

Vacation pay is accrued as a liability when earned by the employees since the employer's right to receive the compensation is already rendered and it is probable that the District will compensate the employees for benefits through paid time off or through cash payments at termination. Sick leave, except for the sick leave time for the executive director, is not accrued since the District will not compensate the employer for unused sick leave upon termination.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

9. LEASES - LESSOR

The District, as lessor, subleases the real and related personal property leased from the Federal government. The subleases are classified as operating and are categorized as follows:

Airfield leases: Includes leases of properties and/or facilities on or adjacent to the airfield. Included in this category are properties utilized for airfield related industry purposes.

Landside leases: Includes leases of properties where the tenant use is not directly related to the airfield, i.e., education, recreation, etc.

Utility leases: Includes leases of the utility systems and their associated equipment and facilities that are located within boundaries of the former England Air Force Base.

Miscellaneous leases: Includes leases of properties for a term of less than one year.

All subleases are negotiated individually and vary in consideration, term, cost, and security; however, the basic terms of the subleases are as follows:

Consideration: Fair market value plus an assessment per square foot leased for common area maintenance. An annual CPI adjustment is applied upon renewal.

Term: There is no minimum rent term. Most terms include a tenant renewal option.

Cost: Most leases are triple net leases whereby the tenant is responsible for maintenance, insurance, and taxes. Some leases are net leases whereby the lessor is responsible for maintenance, insurance, and taxes. Some leases are a combination of the two whereby these costs are shared by the lessor and the tenant.

Security: A security deposit in the form of cash or a letter of credit is negotiated on each lease.

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

for the year ended June 30, 1976

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL FUND BALANCE (000)
Revenues				
State	1,000,000	50	50,000,000	51,000,050
Local taxes	4,000,000	0	0	4,000,000
Fees and charges	500,000	0	0	500,000
Grants	200,000	0	0	200,000
Miscellaneous	1,000	0	0	1,000
Total revenues	<u>1,701,000</u>	<u>50</u>	<u>50,000,000</u>	<u>51,701,050</u>
Expenditures				
Current				
Administration	70,000	0	0	70,000
Operations	1,000,000	0	0	1,000,000
Economic Development	80,000	0	0	80,000
Capital outlay	80,000	0	1,400,000	1,480,000
Debt service	50,000	0	0	50,000
Street lighting	0	0	1,000	1,000
Debt insurance costs	0	0	20,000	20,000
Total expenditures	<u>1,680,000</u>	<u>0</u>	<u>1,401,000</u>	<u>3,081,000</u>
Excess (deficiency) of revenues over expenditures	<u>21,000</u>	<u>50</u>	<u>1,599,000</u>	<u>1,620,000</u>
Other financing sources (used)				
Operating transfers in - capital projects fund	(400,000)	0	0	(400,000)
Operating transfers in - general fund	0	0	400,000	400,000
Gift proceeds	0	0	1,200,000	1,200,000
Total other financing sources (used)	<u>(400,000)</u>	<u>0</u>	<u>1,600,000</u>	<u>1,200,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (used)	<u>11,000</u>	<u>50</u>	<u>(11,000)</u>	<u>20,000</u>
Fund balance, beginning of year	<u>1,500,000</u>	<u>1,500,000</u>	<u>18,000</u>	<u>3,001,000</u>
Special equity transfers	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
Fund balance, end of year	<u>1,550,000</u>	<u>1,500,000</u>	<u>18,000</u>	<u>3,068,000</u>

The notes to the financial statements are an integral part of this statement.

General Purpose Financial Statements

The general purpose financial statements include all funds and account groups of England Economic and Industrial Development District and are designed to provide an overview of the financial position and results of operations for the entity as a whole. Additional information in the form of combining and individual fund financial statements is included elsewhere in this report to the extent such presentation expands on the financial information presented in the general purpose financial statements.

The Board of Commissioners
England Economic and Industrial
Development District

Our audit was conducted for the purpose of forming an opinion of the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as supporting schedules in the table of contents is prepared for purposes of additional analysis and is not a required part of the financial statements of England Economic and Industrial Development District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated October 18, 1996, on our consideration of the internal control structure of England Economic and Industrial Development District and a report dated October 18, 1996 on its compliance with laws and regulations.



OELREICHER & COMPANY
Certified Public Accountants

October 18, 1996



OESTRIECHER & COMPANY

AN PROFESSIONAL SERVICES CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

The Board of Commissioners

England Economic and Industrial Development District

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of England Economic and Industrial Development District, Alexandria, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the management of England Economic and Industrial Development District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of England Economic and Industrial Development District, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and accounts groups of England Economic and Industrial Development District, as of June 30, 1996, and the results of operations of each fund for the year then ended in conformity with generally accepted accounting principles.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

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ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

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ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1985

The liability that is expected to be liquidated with expendable available resources is reported as a expenditure and a fund liability of the governmental fund that is responsible for payment. Amounts that are not expected to be liquidated with expendable available resources are reported in the general long-term debt account group. No expenditure is reported for those amounts in the accompanying financial statements.

K. General Obligation Payable

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

L. Fund Equity

Reserves, if any, represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances, if any, represent tentative plans for future use of financial resources.

M. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

N. Memorandum Only-Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The special revenue funds were liquidated by transferring the fund balances to the general fund.

Air Operations Fund is used to account for airfield operations. On July 1, 1995, this fund was liquidated by transferring the fund balance to the general fund.

Lease Fund is used to account for lease revenue from various tenants of the District. Lease revenue is available for transfer to other funds after provision for necessary lease and operating costs. On July 1, 1995, this fund was liquidated by transferring the fund balance to the general fund.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

for the year ended June 30, 1996

	AIR OPERATIONS	LEASE FUND	TOTAL
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balances, beginning of year	349,413	3,415,890	3,765,303
Residual equity transfer	(349,413)	(3,415,890)	(3,765,303)
Fund balances, end of year	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 1976

	<u>AIR</u> <u>OPERATIONS</u>	<u>LEASE</u> <u>FUND</u>	<u>TOTAL</u>
<u>Assets</u>	<u>50</u>	<u>50</u>	<u>50</u>
<u>Liabilities and fund balances</u>	<u>50</u>	<u>50</u>	<u>50</u>

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

The District reports deferred revenue on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

D. Budgets and Budgetary Accounting

An annual operating budget of proposed expenditures and the means of financing them was adopted for the general fund. Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. Budgets are adopted consistent with generally accepted accounting principles.

Project length financial plans are adopted for capital projects funds. Because these non-operating budgets primarily serve a management control function and related appropriations are continuing in nature, no comparison between budgeted and actual amounts for the funds budgeted on this basis is provided in this document.

Budgets are adopted on a line item basis. The overall level of control is on a cost center basis.

Annual operating budget appropriations expire at the close of the fiscal year to the extent not expended.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the District. All encumbrances expire at the close of the fiscal year.

F. Cash

Cash includes amounts in demand deposits. The District maintains one demand deposit checking account for all funds. Each fund's positive equity in the cash account is presented as "Cash" in the financial statements. Negative equity balances in cash, if any, have been reclassified and are reflected as short-term interfund receivables/payables.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND
BALANCE SHEET

June 30, 1976

Assets

Cash	965,700
Receivables	
Intergovernmental	473,358
Other	<u>208,800</u>

Total assets \$1,139,858

Liabilities and fund balance

Liabilities

Accounts payable	\$1,126,883
Deferred income - federal assistance	47,963
Deferred income - other	<u>478</u>

Total liabilities 1,175,324

Fund balance

Unreserved - undesignated	<u>(35,466)</u>
---------------------------	-----------------

Total liabilities and fund balance \$1,139,858

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

The annual requirement to amortize the outstanding long-term debt, other than compensated absences, including interest of \$469,820 is as follows:

Year Ending <u>June 30</u>	Principal	Interest	Total
1997	\$80,000	\$73,865	\$153,865
1998	125,000	78,310	203,310
1999	125,000	79,475	204,475
2000	142,000	61,960	203,960
2001	149,000	55,969	204,969
2002-2005	<u>790,000</u>	<u>118,225</u>	<u>908,225</u>
	\$1,485,000	\$469,820	\$1,954,820

During the year ended June 30, 1996, the following changes occurred in long-term liabilities:

	Balance July 1, 1995	Additions	Retirements	Balance June 30, 1996
Certificates of Indebtedness, Series 1997	\$264,000	\$0	\$26,000	\$238,000
Certificates of Indebtedness, Series 1995	0	1,200,000	0	1,200,000
Compensated absences	<u>36,468</u>	<u>32,302</u>	<u>32,318</u>	<u>36,452</u>
	\$290,468	\$1,232,302	\$58,318	\$1,474,452

7. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

for the year ended June 30, 1986

Revenues	
Federal grants	\$4,596,215
State grants	701,231
Other grants	<u>208,600</u>
Total revenues	<u>5,506,046</u>
Expenditures	
Capital outlay	
Firefighting equipment	482,249
Intermodal improvements	5,213,818
Airport master plan	119,149
Property map	60,526
Hangar modifications	1,627,671
Street lighting	3,252
Debt insurance costs	<u>20,867</u>
Total expenditures	<u>7,507,519</u>
Excess (deficiency) of revenues over expenditures	<u>-(1,914,083)</u>
Other financing sources (uses)	
Operating transfers in - general fund	499,000
Debt proceeds	<u>1,290,000</u>
Total other financing sources (uses)	<u>1,899,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(215,083)</u>
Fund balance, beginning of year	<u>178,846</u>
Fund balance, end of year	<u>-(215,237)</u>

The notes to the financial statements are an integral part of this statement.

Notes to Financial Statements

CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for the acquisition or construction of major capital facilities and improvements.

ENGLAND-ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
 DEFERRED COMPENSATION PLAN AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the year ended June 30, 1996

	<u>BALANCE</u> <u>July 1, 1995</u>	<u>RECEIPTS</u>	<u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>June 30, 1996</u>
<u>Assets</u>				
Plan Investments	<u>\$135,711</u>	<u>\$124,191</u>	<u>(39,250)</u>	<u>\$250,644</u>
<u>Liabilities</u>				
Benefits payable	<u>\$135,711</u>	<u>\$124,191</u>	<u>(39,250)</u>	<u>\$250,644</u>

The notes to the financial statements are an integral part of this statement.

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

for the year ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
Revenues			
Grants	\$362,094	\$353,364	(8,730)
Lease revenue	4,182,965	4,191,988	(879)
Fuel flow	285,133	355,524	1,471
Interest	140,837	293,568	(471)
Miscellaneous	46,767	47,100	333
Total revenues	<u>5,017,806</u>	<u>5,095,544</u>	<u>(7,836)</u>
Expenditures			
Current			
Administration	794,874	793,496	18,578)
Operations	3,036,531	3,066,890	(30,461)
Economic development	192,988	188,819	4,334
Capital outlay	4,818	30,113	25,196
Debt service			
Principal	43,168	36,008	(17,168)
Interest	36,008	53,168	17,168
Total expenditures	<u>4,097,289</u>	<u>4,311,780</u>	<u>4,491</u>
Excess (deficiency) of revenues over expenditures	1,809,927	907,560	(12,387)
Other financing sources (uses)			
Operating transfers out - capital projects fund	(499,800)	(499,800)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	1,310,127	408,560	(12,387)
Fund balance, beginning of year	0	0	0
Residual equity transfer	3,765,382	3,765,382	0
Fund balance, end of year	<u>\$4,276,231</u>	<u>\$4,263,861</u>	<u>(\$12,387)</u>

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1995

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Agency funds are used to account for assets held by the District as an agent on behalf of others.

The General Fixed Asset Account Group is used to account for fixed assets owned by the District.

The General Long-Term Debt Account Group is used to account for long-term debt outstanding at the balance sheet date.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are leases receivable and interest income. Revenue from cost reimbursement grants is recognized in accordance with GASB Statement 1. When the expenditure is incurred, grant revenue is considered to have been earned and therefore available and recognized as revenue.

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
GENERAL FUND
BALANCE SHEET**

June 30, 1986

ASSETS

Cash	\$4,301,000
Receivables	
Intergovernmental	4,569
Loans - net of allowance	140,189
Other	213,680
Prepaid expenses	<u>5,878</u>
Total assets	<u>\$4,665,256</u>

Liabilities and fund balance

Liabilities

Accounts payable	\$281,796
Other current liabilities	31,817
Due to other governments	28,860
Deferred income - federal assistance	14,130
Deferred income - other	5,218
Tenant deposits held	<u>19,514</u>
Total liabilities	431,335

Fund balance

Unreserved - undesignated	<u>4,233,921</u>
Total liabilities and fund balance	<u>\$4,665,256</u>

The notes to the financial statements are an integral part of this statement.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

In defining the District's reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic criteria for including a potential component unit within the reporting entity is whether the primary government is financially accountable for the potential unit. A primary government is financially accountable if it appoints a voting majority of the organization's governing body and either (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing body, a governing board appointed by a higher level government, or a jointly appointed board. An entity is fiscally dependent if it does not have the authority to do all of the following procedures:

1. Determine its budget without another government having the authority to approve and modify that budget.
2. Levy taxes or set rates or charges without approval by another government.
3. Issue debt without approval of another government.

Based upon the above criteria, the District does not have any component units.

B. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

GENERAL FUND

This is the general operating fund of England Economic and Industrial Development District and is used to account for operations traditionally associated with an entity which are not required to be accounted for in another fund.

SUPPORTING SCHEDULES

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The England Economic and Industrial Development District (hereinafter referred to as "District") was created by Act 142 of the Legislature of Louisiana, 1991 Regular Session. The District is a body politic and corporate of the state which shall exist in perpetuity. The District is composed of all of the territory located within Rapides Parish.

The District was created for the object and purpose of accepting title from the United States of America to any and all real property and personal property and improvements included in the England Air Force Base and utilizing that and other property, and all assistance available from the United States government and all other sources, to replace and enhance the economic benefits generated by the former air base.

The District is governed by a Board of Commissioners and has the power to incur debt and issue revenue and general obligation bonds, certificates of indebtedness, bonds and certificates of indebtedness, bonds and certificate anticipation notes, refunding bonds, and the power of taxation, subject to the limitations provided in the Act.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

The more significant of the District's accounting policies are described below:

A. The Financial Reporting Entity

As noted above, England Economic and Industrial Development District was created by an Act of the Louisiana Legislature as a special purpose government and legally separate governmental entity. As required by generally accepted accounting principles, these financial statements present the District as a primary government with no component units.

**ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**

(for the year ended June 30, 1986)

	BUDGET	ACTUAL	Schedule I OVER (UNDER) BUDGET
Administration			
Salaries and fringe	\$238,927	\$238,341	(586)
Audit and accounting	18,174	18,174	0
Legal services	74,389	79,221	4,832
Consultants	35,988	36,988	1,000
Contract labor	2,929	3,206	277
Physical/drug testing	495	495	0
Insurance	222,860	222,860	0
Telephone	7,214	6,814	(400)
Advertising	1,820	2,193	373
Fuel	30,133	28,732	(1,401)
Dues and subscriptions	14,508	14,439	(69)
Training	6,024	6,223	199
Office supplies and expense	6,867	6,731	(136)
Printing	3,766	4,088	322
Postage	3,433	3,886	453
Bank charges	1,868	1,630	(238)
Provision for doubtful account	0	2,360	2,360
Office and computer expense	4,959	5,028	69
Insurance liability	30,080	13,849	(16,231)
Total administration	<u>\$794,028</u>	<u>\$787,490</u>	<u>(6,538)</u>
Operations			
Salaries and fringe	\$454,416	\$452,745	(\$1,671)
Professional services	193,879	193,879	0
Contract labor	52,674	53,876	1,202
Telephone	8,190	7,929	(261)
Office supplies and expense	1,949	2,021	82
Postage	251	399	142
Comingsons	28,842	28,842	(0)
Post Control	19,981	19,981	0
Custodial	16,967	16,967	0
Utilities	341,344	341,353	9
Repairs and maintenance	366,258	497,056	(8,800)
Supplies	70,788	55,738	15,050
Vehicle expense	34,777	32,060	(2,717)
Fire protection	880,760	876,917	(3,843)
Security	327,628	323,588	(4,040)
Tenant services	65,614	70,449	4,835
Total operations	<u>\$3,026,351</u>	<u>\$3,006,080</u>	<u>(20,271)</u>
Economic development			
Salaries and fringe	\$61,679	\$61,679	(0)
Marketing	40,986	47,249	6,263
Total economic development	<u>\$102,665</u>	<u>\$108,928</u>	<u>\$6,263</u>

AGENCY FUND

Deferred Compensation Plan Agency Fund is used to account for assets held by the District, as an agent, for employees. The plan permits employees to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.